

Drinking Water State Revolving Fund

September 2003

DOH PUB. #331-233

Supporting public health and economic vitality

Approximately \$150 million in loans have been committed to drinking water infrastructure improvements in Washington since the state Drinking Water State Revolving Fund was introduced in 1997. Public water system capital improvements are critical to the long-term health and economic vitality of Washington's communities. Our state is a national leader in launching this important funding source and getting the money out to public water systems.

Directing federal funds to states for these low-interest loans was a key provision of the 1996 amendments to the federal Safe Drinking Water Act. The goal is to provide loans to water systems for capital improvements that increase public health protection and compliance with drinking water regulations. Washington's program is administered jointly by the Department of Health, the Public Works Board, and the Board's administrative agent, the Department of Community, Trade and Economic Development.

In addition to funding loans for water system capital improvements, the revolving fund, through "set-asides," supports key state drinking water program activities. These include loan program administration, new Safe Drinking Water Act initiatives, source water protection, and technical assistance to small water systems.

Highlights

- The DWSRF program provided over \$32 million for drinking water infrastructure improvements in 2002.
- Washington's DWSRF program can provide assistance to fund projects to meet federal mandates, such as arsenic removal, as well as projects to increase water system security.
- The City of Tenino applied for nearly \$200,000 to install corrosion control treatment. Because the City is considered to be an extremely disadvantaged community, they received a 0 percent, 30 year DWSRF loan to finance the project.
- Cities of White Salmon and Bingen (Klickitat County) used \$4 million in loan funds to switch from surface water to groundwater sources, improvements that are significant public health priorities for those communities. These improvements have allowed these cities to end a boil water order that had been in effect for over a year.
- Two Thurston County mobile home parks, Sunny Acres and Prairie Pines, applied for loans to connect to a municipal source of supply, ensuring customers a safe and reliable source of drinking water.
- Twenty-five percent of loans executed to-date solve public health problems that would have resulted in serious compliance actions if they had not been addressed with capital improvements.
- Over forty percent of loans executed to-date have been made to privately-owned water systems.
- Loans executed to-date have ranged from \$15,300 to \$4 million.
- The first payments from previous loans were received in 1999, generating additional funds for future loans. To date, over \$12 million in loan payments has been received to fund projects.



HELPING TO ENSURE SAFE AND RELIABLE DRINKING WATER

Projects funded from 1997 through 2002

Projects Eligible for Funding (By Ownership)

Status	Public Ownership	Private Ownership	Total
Loans Executed (<i>Projects under construction</i>)	79	45	124
Loans Executed (<i>Projects completed</i>)	29	20	49
Applications In Process	10	15	25
Totals	118	80	198

Projects Eligible For Funding (By Population)

System Type:	Community	Community	Community	Community	Non-Community	
Population:	<330	330-3,299	3,300 - 9,999	>10,000	—	
Number:	54	86	18	37	3	Total: 198

Loan Terms

Income Level of Households	Interest Rate	Loan Fee*	Loan Repayment Period
Basic interest rate	1.5%	1%	Twenty (20) years or life of the project, whichever is less
Water system is in an economically distressed county (Adams, Chelan, Clallam, Columbia, Cowlitz, Douglas, Ferry, Franklin, Grant, Grays Harbor, Klickitat, Lewis, Mason, Okanogan, Pacific, Pend Oreille, Skamania, Stevens, Yakima)	1%	1%	Twenty (20) years or life of the project, whichever is less
51% of the water system households are at or below 80% of the county's median income.	0.5%	1%	Twenty (20) years or life of the project, whichever is less
51% of the water system households are at or below 50% of the county's median income.	0%	1%	Thirty (30) years or life of the project, whichever is less
Maximum Award			
A maximum of \$4,000,000 may be awarded to each water system applying this loan cycle. Multiple systems participating in one project (shared facilities) or satellite management agencies that are restructuring systems may combine loans up to a maximum of \$8,000,000.			
Local Match Requirement			
No local match is required.			
Loan Fee*			
*The loan fee is not subject to the loan limit. For example, for a project budgeted at \$4 million, the applicant may apply for a \$4,040,000 loan -- \$4 million for the project plus the \$40,000 loan fee. The loan fee is incorporated into the loan and is paid when the first loan draw is made. The loan fee is non-refundable.			

For more information:

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www.doh.wa.gov/ehp/dw/Our_Main_Pages/dwsrf.htm

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